

# Financial Management Line of Business

## FMLoB 2008 Accomplishments

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2008 was extremely busy for the FMLoB project team. The team worked very closely with our agency representatives and the financial software vendors to develop government-wide standards that will be used to support the FMLoB vision. We would like to take this opportunity to thank everyone who has participated in the development of the financial managements standards for all of your hard work in support of this effort. 2008 accomplishments include the following:

### Standard Business Processes

- Published final business processes standards document for Funds Management, Payment Management, and Receivable Management.
- Developed working draft document for Reimbursables Management Standard Business Process.
- Draft reporting standard business process transmitted to the Office of Management and Budget for comments.

### Financial Management Requirements and Testing

- Identified updates to core financial management system requirements to incorporate changes to support the payment and funds management standard business processes and the Common Government Accounting Classification (CGAC) elements.
- Developed a schedule for testing commercial off-the-shelf core financial system software in conjunction with Office of Management and Budget and Treasury Financial Management Services.

## FMLoB 2009 Goals

2009 will be equally busy for our team. We are working feverishly to complete the standard business processes and update to core systems requirements in order to allow the software vendors to update their products to incorporate those standards. Our planned activities for 2009 include:

- Finalize the business process standards for Financial Reporting and Reimbursables Management
- Complete update of the Core Financial System Requirements
- Develop and begin implementing a change management strategy for agencies implementing the FMLoB standards
- Develop testing materials that incorporate updated requirements
- Update CGAC to reflect ISO 9000 naming standards
- Continue development of Government-wide Financial Data Library/Lexicon

### FMLoB News

- Receivables Management Standard Business Processes published December 2008.
- Financial Management Reporting Standards Process Exposure Draft issued February 2009.

**Coming Soon—Core  
Financial System  
Requirements  
Fall 2009**



## Performance Measures

In August 2008, a panel consisting of Agency CFOs and Deputy CFOs met with members of the FMLoB Performance Measures work stream to discuss long-term objectives and strategies for development of agency-wide, financial management measures. As a result of the half-day session, the panel provided many useful and insightful perspectives:

1. Current success factors are for financial management “compliance” based and foundational measures to meet GAO and OMB requirements but less helpful to the CFO role of providing decision support for agencies and Federal programs.
2. Existing measures do little to indicate how agencies are progressing with adoption of CGAC, standard processes, or system modernization projects across the government (i.e., impact of FMLoB).
3. Existing measures are useful as macro-level indicators; however, they do not provide for data accuracy, root cause analysis, and customer satisfaction.

Since the August meeting, and based on the feedback received from this panel, the Performance Measures work stream has focused on developing a core repository of all financial management-related measures, including those currently collected and those that should be considered, and industry benchmarks, such as Hackett and American Productivity and Quality Center (APQC) standards. Additionally, four key questions have been identified that will frame the strategy for development of the performance measures and should support CFOs and DCFOs in improving their overall operations. The four key questions are:

- Financial Operation Performance - How well does my agency’s financial operation perform; i.e., level of accuracy, timeliness?
- Use of OCFO Resources - How does my current allocation and use of OCFO resources compare to my desired use?
- Analytical Tool Effectiveness - How effective are my analytical tools and data in determining root cause of issues in order to repair them?
- Better Decision Support - What improvements in systems and processes would move the OCFO toward better strategic, programmatic, and operational decisions?

The CFOC Panel met again on January 29, 2009 to discuss, review, and begin developing the next set of financial management short- and long-term measures. The next steps in the process are to establish working groups of agency representatives in March 2009 to work on the identification of these measures, definitions of the metrics, and strategy for implementation by agencies. For additional information, please contact Jacke Zeiher at [jacke.zeiher@gsa.gov](mailto:jacke.zeiher@gsa.gov) or (202) 501-8970.

## Acquisition Tools

The FSIO team is currently developing tools that will assist agencies in developing solicitations to upgrade or implement financial systems. These tools are being developed with the goal to standardize and streamline the solicitation process. The acquisition tools were developed with the support of the FMLoB Acquisition Advisory Team and will be available as an exposure draft for public comment at the end of March 2009.



## Standard Business Processes — Reporting

A review of existing standard reports provided by the FSIO certified financial management software packages disclosed the need for additional reporting capabilities. In order to fully define the additional capabilities, FSIO established core reporting and content based reporting groups. The groups were tasked with reviewing current reporting requirements, identifying reporting deficiencies, recommending changes to existing reporting requirements, defining new reports and identifying changes to existing reports.

To accomplish these tasks, the core reporting team:

- stratified reports into several reporting categories; Financial Statements, General Ledger, Treasury, Metrics, Payables Management, Reimbursables, Receivables Management,
- reviewed existing reporting requirements,
- solicited Transformation Team members to identify individuals who could serve on the content based reporting groups, and
- prepared documentation on new, as well as existing reports, for review by the content based reporting groups.

In December 2008, the reporting teams finalized their recommendations for changes to existing reports and reporting requirements and a number of new reports were identified and defined. The Reporting Management Exposure draft, which was issued for public comment in February 2009, contains 84 reports and a number of new reporting requirements. Comments on the exposure draft are due March 25, 2009. Please visit our web site [www.fsio.gov](http://www.fsio.gov) to obtain a copy of the Reporting Exposure draft.

For more information contact Ron Hallameyer at [Ronald.Hallameyer@gsa.gov](mailto:Ronald.Hallameyer@gsa.gov) or 202-219-0532.

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## Standard Business Processes — Receivables Management

We're pleased to announce the release of the Receivables Management standard business process document, the third chapter of the standard business processes document. The key steps in this standard business process include:

- Establishing an accounts receivable due from the public,
- Billing,
- Collection and application of receipts,
- Dunning,
- Allowance for loss and account write-off,
- Processing credit memos and returns,
- Waiving of interest charges,
- Recording administrative costs, and penalties, and
- Establishing installment agreement plans.

The document has been updated to reflect comments received during the public exposure draft period and internal reviews performed by the focus and working groups, certified software vendors, and OMB-OFFM staff. The receivables document was developed by conducting weekly focus group and periodic

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## Standard Business Processes – Receivables Management (Continued)

working group meetings with the agency representatives, Federal Shared Service Providers, and the commercial software vendors. The document contains process flows which identify steps and associated business rules for those process steps. In addition, these defined business processes are mapped to the FY 2006 Core Financial System Requirements (CFSR). The next steps in the process include updating the Core Financial Systems Requirements to support the implementation of the receivables standard business process.

We would like to thank all contributors for investing the time to work with us to develop and then review and comment on the exposure draft versions of this document. Development of standards supports the FMLoB vision to improve the cost, quality, and performance of financial management systems by standardizing business processes, interfaces, and data. Both FSIO and OMB look forward to continued collaboration with the Federal financial management community to fulfill the vision and goals of this initiative.

The Receivables Management document is available on the FSIO web site, [www.fsio.gov](http://www.fsio.gov).



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